



Bureau of Automotive Repair

September 2003

Auto Body Repair Inspection Pilot Program Fact Sheet

Background

- Senate Bill 1988 (Speier, Chapter 867, Statutes of 2000) mandated the Department of Consumer Affairs/Bureau of Automotive Repair (DCA/BAR) to conduct a study of auto body collision repairs by inspecting vehicles from around California.
- SB 1988 stated that “the Legislature finds and declares that auto theft, auto body repair fraud and other forms of insurance fraud... cause great economic harm and personal suffering to the people of California.”
- The purpose of the Auto Body Repair Inspection Pilot Program was to identify auto body repair work that was not done “according to specifications in the final invoice.”

Inspection Criteria

- After hearing about the pilot program, consumers contacted BAR to have their vehicles inspected.
- To qualify for an inspection, a vehicle must have had at least \$2,500 worth of collision repairs performed within the preceding 120 days of the owner applying for the program.

What BAR Found

- Of the 1,315 qualifying vehicles inspected by BAR, 551 (or 42%) had parts or labor listed on the invoice that were not actually supplied or performed. The average dollar amount per vehicle overbilling was \$811.93.

What Happens After BAR Finds Problems?

- When a shop charges customers for repairs that they don't supply, there is cause for discipline under Business and Professions Code sections 9884.7(a)(1), *making or authorizing any untrue or misleading statement*, and 9884.7(a)(4), *other conduct constituting fraud*.

Auto Body Repair Inspection Pilot Program Fact Sheet 2-2-2-2-2

BAR Takes Action

- As of September 1, 2003, there have been 47 administrative actions filed by the Attorney General, and 46 referrals have been made to local district attorneys for possible criminal or civil action.
- More legal actions are expected as additional investigations are concluded.

Other Consumer Benefits of the Program

- DCA/BAR successfully secured offers of more than \$500,000 in direct refunds, rework of vehicles or adjustments to repair bills for consumers participating in this program

BAR Recommendations

- Explore specific methods and strategies to reduce unfair and illegal practices in the auto body repair industry.
- Develop protocols that better define the roles of, and relationship between, the auto insurance and auto body repair industries.
- Consider requiring that those who have the mechanical background and equipment to properly evaluate the true condition of the vehicle do the formal estimating of collision damage. In other words, let the automotive experts, not the insurance adjusters, make the damage estimates in collision repair.
- Insurance adjusters should change the name of the simple visual inspection they do to a "visual damage assessment." This would help educate customers that it may not be a comprehensive, complete and itemized estimate of all repairs needed to return the vehicle to its pre-accident condition.

Get the Report

- BAR's Auto Body Repair Report is available online from either the Department of Consumer Affairs Web site at www.dca.ca.gov, or BAR's Web site at www.autorepair.ca.gov